



DECISION COVER SHEET

☒ ACTION BY: Public Members Only

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To : BOARD MEMBERS

Date: February 24, 2017

From : ADMINISTRATIVE LAW JUDGE: Kymberly Pipkin

CASE: DEPENDABLE DODGE, INC. v. FIAT CHRYSLER AUTOMOBILES, INC.
Protest Nos. PR-2435-15 and PR-2436-15

TYPE: Vehicle Code section 3060 Termination

PROCEDURAL SUMMARY:

- FILED ON CALENDAR: November 24, 2015
- MOTIONS FILED: Protestant's Motion to Compel (granted in part)
- HEARING: August 15-19, 2016; August 29-31, 2016; September 1-2, 2016; September 6-9, 2016; telephonic testimony of Ted Stockton September 28, 2016
- COUNSEL FOR PROTESTANT: Gavin M. Hughes, Esq.
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- COUNSEL FOR RESPONDENT: John Streelman, Esq.
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EFFECT OF PROPOSED DECISION: The Proposed Decision sustains consolidated Protest Nos. PR-2435-15 [RAM] and PR-2436-15 [Dodge].

SUMMARY OF PROPOSED DECISION:

Termination of both the Dodge and Ram Franchises was based solely on the Franchisee's failure to obtain 100% Minimum Sales Requirement (MSR) since 2011.

Background Findings

- Dependable Dodge, Inc. ("Dependable") has been in business at the same location in Canoga Park for 45 years as a "stand-alone" dealership that does not carry Fiat Chrysler Automobiles, Inc.'s ("FCA") full four product lines (Chrysler, Jeep, Dodge, and Ram). The demographics in Canoga Park have changed over that time and all other OEMs have left the area.

- FCA calculated Dependable's sales effectiveness by utilizing a formula (MSR) based on a statewide percentage of vehicles registered by segment and then adjusted for the units sold in Dependable's trade zone and sales locality. The segments were too broadly drawn; luxury, alternative fuel and all-wheel drive vehicles were included in the statewide average even when FCA does not offer such vehicles in a particular segment. MSR did not take into account brand preference or import preference. MSR also failed to take into account the particularities of and challenges faced by Dependable's location.

RELATED MATTERS:

- Related Case Law: There are no published court decisions applicable to this case.
- Applicable Statutes and Regulations: Vehicle Code sections 331.1, 331.2, 3060, 3061, 3066, 11713.13.